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TURKISH AGRICULTURE ON THRESHOLD OF NEW ERA

UNITED STATES' CORN TRADE

1964 GRAIN SALES TO MAINLAND CHINA

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Turkish farmers cultivate a field of sugarbeets. Hand labor is common in Turkey, but the country's new development plan stresses modernization (story, page 6).

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DEPOSITED BY THE
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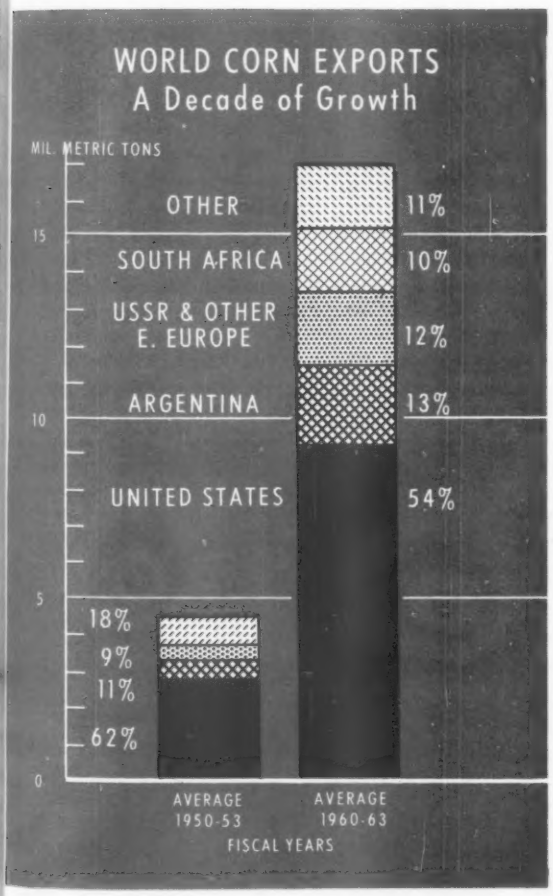
CLOSE-UP of the UNITED STATES' CORN TRADE

Now American agriculture's second biggest dollar earner, corn exports have tripled since 1953, but competition may toughen in years to come.



This nation's most valuable agricultural commodity, corn last year contributed a giant $4.5 billion to the U.S. farm economy, of which a sizable part—a record $478 million [1], or $1 in $9—came from overseas sales. For the last 2 years, corn has been the second highest earner of dollars on the export market, exceeded only by soybeans and soybean products.

There appears to be no ceiling for the lively export trade in U.S. corn that began with the critical overseas need for feedstuffs following World War II and continues to grow today with the growing prosperity of foreign consumers. For 14 years now, the United States has been the most important supplier of corn to the international market, and in the last decade, U.S. sales have increased threefold.

While the U.S. corn industry's main customers continue to be the American livestock producers who take around 80 percent of the corn crop, production and yields are mounting fast enough to amply supply the expanding foreign market too. If 1964 U.S. export sales reach 11.4 million metric tons as expected, this will mean that corn harvested from 1 acre in 9 is being shipped overseas, compared with 1 in 30 during the mid-1950's.

U.S. corn exports in fiscal 1963, at a record 10.5 million metric tons, topped those from second-ranking Argentina by more than 7 million tons. Since 1948, when this country overtook Argentina as the principal corn exporter, the U.S. share of total world corn trade in most years has been better than 50 percent.

These striking gains have not measurably cut into shipments of competing corn exporters. Spurred by higher consumption of livestock products around the world, the demand for feed grains in the last 10 years has been such as to allow all major exporters to keep their traditional shares of the world market for corn.

United States to stay in front

For many of the same reasons as those which put this country in the lead, the United States may be expected to hold this place of prominence during the next decade.

First, a foreign importer can buy from the United States virtually as much as he needs, whenever he needs it. The record 1963 U.S. corn crop of over 4 billion bushels (104 million metric tons) was greater than the combined harvests of Europe, Asia, Africa, South America, and Oceania.

Second, plentiful supplies and efficient production methods have combined to make U.S. corn competitive in price. Also, U.S. corn is highly desired for its low moisture content.

And lastly, foreign corn buyers, in special cases, may receive up to 12 months credit through the U.S. Commodity Credit Corporation—a type of financing which no other corn-exporting country offers its customers.

[1] This figure represents the return to farmers based on average price received per bushel of $1.09. Total value of corn exports, including marketing costs, amounted to $591 million.

Nearly one-seventh of U.S. corn bought by Japan last year was CCC financed.

These factors—coupled with the anticipated larger demand for feed grains abroad—obviously will operate to U.S. corn's advantage in the next decade. But there are equal and opposite forces which could work against the desirable status quo.

Threat of sporadic suppliers

One possibility is that irregular suppliers will emerge from time to time to rival U.S. corn in certain markets. Mexico and Brazil figure prominently. In the past, they have entered the export business only when bumper corn crops permit. Both countries, however, will be needing more corn for home use—Mexico for its fast-growing livestock industry and Brazil for its expanding consumption of corn foods. Of the two, Brazil is more export-oriented, since it is Latin America's biggest corn producer.

Tied closely to the threat of sporadic suppliers is the possible emergence of countries which could one day join the ranks of today's regular corn exporters. At this time, nothing would indicate any country is on the verge of doing so. Yet Thailand in the last 10 years rose from an insignificant corn exporter to become the largest in the Far East.

Another potential area of competition to U.S. corn exports is stepped-up corn production in countries which are now our prime markets. This is somewhat remote too. In Western Europe, U.S. corn's largest buyer, unfavorable climate—except in France and Italy—makes corn-growing unprofitable; therefore expansion of corn acreage may level off. To fill the gap, Western Europe will have to boost corn imports if increasing livestock numbers are to be fed most economically. The European Economic Community today relies on imports for one-third of its feed grain needs, compared with one-fifth in the 1950's.

Our big competitors

The final and most probable possibility is that U.S. corn could meet stiffening competition from the major corn exporters of today. Clearly, the chief contenders for the world corn market will continue to be Argentina and South Africa.

Argentina—before World War II by far the biggest corn exporter, averaging 6 million tons a year—may be destined for a comeback. From 1,900 tons in 1960, its corn exports jumped to 2,700 in 1963. A weak demand for corn-fed livestock within Argentina enables it to export more than half of each year's harvest. In addition, Argentine yellow flint corn (the United States raises dent) commands a premium in countries like Italy, which prefer flint corn for the desirable yellow color it imparts to dressed broilers. Therefore, assuming a stable government, Argentine corn exports may be expected to increase but not too dramatically; local producers in the past have been wary of overplanting, as this may prompt the government to lower the price-support level.

South Africa, exporting 2,300 tons in 1963, sells mostly white corn which, besides being an ingredient in livestock feeds, finds a big demand for cornstarch manufacture in Western Europe and Japan. Corn is an important foreign exchange earner for the country, and there's room to expand corn acreage should producers desire. Currently, however, South Africa is encountering financial difficulties in administering its price supports, which now exceed world market prices. A government proposal to reduce the support level in 1963 met strong producer opposition.

The smaller exporters

Ranking next as major competitors are Thailand, France, and the Communist nations of Eastern Europe, in that order.

Thailand should continue strong in Japan—U.S. corn's No. 1 market this year—which for balance of payments reasons has been encouraging Thai corn imports. While Thailand's shipments could easily double to 800,000 tons within 10 years, Japan's growing demand for feed grains can accommodate a substantial increase in imports from the United States as well.

In France, the outlook depends on modernization of the country's feeding practices, which at present call for small amounts of corn. Meanwhile, France's production is increasing, and its exports—111,000 tons last year—will provide some competition in U.S. corn's important markets in Spain, Italy, and other Common Market countries.

Europe's Communist countries, exporting over 1 million tons in 1963, could use more of their corn production at home, assuming livestock numbers increase in line with economic goals. Trade agreements between Rumania and Italy in recent years have cut into corn exports from the United States to the latter.

EEC Expects Large Winter Wheat Crops

EEC production of winter wheat in 1964 should be well above the reduced level of last year, according to a report published in the May 25 issue of the West German paper *AGRA-Europe*. Estimates place the crop at 27 million metric tons (993 million bu.) against last year's 20 million (738 million) and the 1962 record of 27.4 million (1,006 million). *AGRA-Europe* feels that these reports are realistic since almost no winterkill has been reported in the EEC countries.

PRODUCTION OF WINTER WHEAT IN THE EEC

Country	1961		1962	
	Area	Production	Area	Production
	1,000 acres	*1,000 metric tons*	*1,000 acres*	*1,000 metric tons*
Federal Republic	2,970	3,501	2,580	3,684
France	8,715	8,507	10,648	13,395
Italy	10,208	7,874	11,073	9,444
Netherlands	99	156	156	315
Belgium	277	398	311	519
Luxembourg	20	17	12	11
Total	22,289	20,453	24,780	27,368

	1963		1964 [1]	
	Area	Production	Area [2]	Production
	1,000 acres	*1,000 metric tons*	*1,000 acres*	*1,000 metric tons*
Federal Republic	2,913	4,195	3,185	4,300
France	7,322	7,179	10,564	13,170
Italy	10,675	8,041	10,848	8,600
Netherlands	168	223	213	385
Belgium	289	434	358	550
Luxembourg	17	13	17	15
Total	21,384	20,085	25,185	27,020

[1] Estimate. [2] Fall-sown areas.

AGRA-Europe, May 25, 1964.

No estimate of spring sown wheat is yet available.

Mozambique—Southeast Africa's Ancient Trade Route

Though one of the less developed countries of Africa, Mozambique is well known in world trade. It provides rail and port facilities for the exports of virtually all its neighbors, and it grows and exports more cashew nuts than any other country in the world.

With about 1,500 miles of coastline along the Indian Ocean and three good ports, Mozambique has for centuries provided an outlet for southern Africa's exports. In recent years, with the development of modern transportation and the surge in Africa's agricultural and mining productivity, these services have become increasingly important. Today, Malawi's (Nyasaland's) tea and tobacco, Northern Rhodesia's copper, Southern Rhodesia's tobacco and sugar, and numerous South African products move through Mozambique for shipment around the world. To Mozambique this has meant a large additional source of revenue—about equal to total earnings from exports.

Also important to Mozambique is its trade in agricultural products, which accounts for much of that country's export earnings. It exports large quantities of cotton, sugar, cashew nuts, copra, sisal, and tea. Many of these—especially cotton and sugar—go to Mozambique's mother country, Portugal, which depends upon Mozambique for nearly half its raw and semiprocessed agricultural imports. Others, such as sisal, cashew nuts, and tea, have a large market in the United States.

Probably the greatest possibility for further expansion lies in cashew nuts. Most of these are now exported to India in the shelled form for shelling, grading, and eventual re-export. If Mozambique could process all its exportable cashew nuts, it could well afford to buy more American goods and capital equipment. Last year, Mozambique's shipments of cashews amounted to 86,469 metric tons compared with 67,026 in 1962.

Above, harbor of Lourenco Marques—main port and trade center of Mozambique. Right, Africans pick tea—an important export.

Left, one of Mozambique's coconut groves, and below, loading hay in Limpopo Colony. Photographs courtesy of the Portuguese Press Officer, Salisbury, Southern Rhodesia.

Threshing wheat in eastern Turkey

Turkey's Agriculture Now on the Threshold of a New Era

The agricultural problems that Turkey faces today differ considerably from those of a few years back when additional food supplies and employment could be provided by simply expanding the cultivated acreage. This process has nearly run its course, as Turkish leaders realize, for when the country's Five-Year Development Plan was adopted last year, it was based on the premise that increased farm output must come primarily through technological advances by which yields per acre can be greatly increased.

Plans for agricultural development are not new to Turkey. A big drive toward expanded production came after World War II when German markets—formerly important for Turkey's exports—were lost. At this time too, the need in postwar Europe for more grain was accompanied by a lessened demand for Turkey's "luxury" exports, such as tobacco, dried fruits, and nuts.

The early postwar years also saw the rise of Turkey's Democratic Party, which achieved its power largely on a platform of rural reform (a program underwritten in 1948 by U.S. investment capital). As the most direct means of reaching its goals for agriculture, Turkish policy stressed extension of grain production coupled with a huge mechanization program that was mainly directed toward the wheat-growing areas of Turkey's Central Plateau. Some other crops, including sugarbeets and cotton, were encouraged also.

Acreage expands, exports rise

Nearly 15 million additional acres of land were put under cultivation. Between 1947 and 1953 the area in wheat more than doubled, barley acreage increased by 35 percent, and cotton by nearly 200 percent. This acreage expansion combined with 3 successive years of good growing conditions pushed Turkey's farm production to its highest peak in 1953.

The country's farm exports mounted. From the 1952 crop 400,000 bales of cotton were sold abroad, and from the 1953 harvest, 36 million bushels of wheat. And the total for Turkey's agricultural exports that year (1953) reached $334 million, or 145 percent over the value of 1946 exports.

But then the tide turned. Unfavorable weather in most of the years after 1953 forced Turkey from its newly gained position as a large grain exporter into the role of a sizable importer of grains, and because of declining world prices cotton production leveled off for several years. For government planners this cutback in wheat and cotton exports was a serious thing, for these crops were expected to finance the country's economic development programs. It was thought that by 1959 agricultural exports could be increased some 60 percent over those of 1953.

Where the planning failed

Looking backward, it appears that the agricultural policy of the early 50's was unrealistic in that it failed to take into account the drought, which on the semi-arid Central Plateau grainlands can be expected in at least 1 year out of 5. Export projections too were over-optimistically based on production levels attainable only if weather conditions were good every year.

Also—though these crops continued to expand slowly—perhaps too little attention was paid in early planning to Turkey's traditional earners of foreign exchange: tobacco, raisins, figs, and filberts. And livestock, the major source of the Anatolian farmer's cash income, was allowed to decline as one-sixth of the pastureland was plowed to plant more grain.

Finally, there was failure on the national scale to in-

This article was prepared by GORDON R. SCHLUBATIS, U.S. Agricultural Attaché, Turkey, and HENRIETTA M. HOLM, Foreign Regional Analysis Division, Economic Research Service. Photographs were taken by Mr. Schlubatis.

troduce modern farming technology and to indoctrinate Turkish farmers in its use.

What the new plan provides

Turkey's 1963-67 Development Plan is geared to remedy this failure. Prepared by a draft committee representing all walks of Turkish life, it appears to have been more carefully conceived than its predecessor. Stepped-up irrigation, adequate fertilizing, good cultural practices—including better seeds and disease and pest control—are among its means for meeting agricultural goals.

Provided for are adequate credit, agricultural insurance, some land reform, and improved animal breeding and husbandry. Further, it is realized that the marketing of farm commodities needs improvement, and that the policy adopted should extend from the farmer on the land to the consumer or exporter.

These plans for agricultural development are designed to meet the increasing demand for farm goods for a rapidly growing population on present-day, or possibly reduced, acreages. (To halt rapid deterioration of overworked land, retirement of from 15 million to 20 million acres of land within the next few years is being considered.) Exports must be increased too, to provide foreign exchange to finance development programs underway as well as to meet Turkey's commitments to the European Economic Community with which an agreement of association was signed last fall.

Farmer faces many handicaps

Agriculture makes the largest contribution to Turkey's national income—over 40 percent in most years—but the lot of the farmer is not easy. Despite his hard work, he makes little money. The income of the 3 million farm families (about three-fourths of the country's 30 million people), who live in 40,000 scattered farming villages, averages about $105 a year, a third of that earned by nonagricultural workers. And for more than 75 percent of the rural population, per capita income is estimated at from $45 to $55 annually.

Many things contribute to keeping farm incomes low, and one of them is the land itself. Only 17 percent of the country is arable. Much of the soil is thin and has lost fertility through centuries of mismanagement, and pasture lands are badly overgrazed.

Fragmented farms constitute another problem. About 75 percent of the farm population works 30 percent of the farm area, and a quarter of the nation's farmers cultivate an average of 545 acres of land each while the remaining three-quarters work holdings averaging only about 7 acres in size. Thus, Turkish agriculture is doubly handicapped: the small landowners and landless farmers have been unable to unite strongly in cooperatives and syndicates to facilitate production and marketing of farm goods, whereas the landowners with large acreages have been able to operate near-feudal farming systems under which the sharecroppers and laborers have little hope for improving their situation.

Turkish farming is still held back by tradition which supports resistance to change. Although there are 20 state-owned, fully mechanized farms in the country, only a limited number of private landholders have progressed

Below, Turkish farmer cultivates his tobacco field. Right top, sorting and packing peaches for export is another hand operation, and below, farmers examine sacks of seed wheat.

at all. Too many Turkish farmers rely on primitive implements, animal draft power, and hand labor. Little fertilizer of any kind is used, disease and pest control is not widespread, nor is the use of selected seed.

Moving toward modernization

Today, however, as Turkey stands on the threshold of a new era for agriculture, some progress toward modernization is apparent. Tractors have increased in number as have grain drills, fanning mills, sprayers, and motor pumps. In the extensive grain-producing areas the combining of grain is most prevalent; in fact, it is now estimated that between 70 and 75 percent of the wheat grown is combine-harvested. Also, there is a relatively good system of highways joining principal market centers.

Already the farmers of Turkey are providing a large portion of the food and fiber needed for domestic use, and in the country's export trade farm products recently have averaged over 70 percent of total value. Nevertheless, if the aims projected for agriculture under the Five-Year Plan are to be realized, ancient farming patterns will have to be abandoned and output stepped up considerably.

At this period in the development of the country, much of the responsibility for the success of its agricultural planning rests squarely on the shoulders of the Turkish farmer. This, though, is not unusual nor greatly different from that of the farmers the world over: it has always been that the job of providing the food and fiber to sustain a nation's people, insofar as the physical capabilities of the land enable him to do so, lies first with the farmer.

Grain Sales to Mainland China May Run Higher in 1964

Although it is still too early to estimate total grain shipments to Communist China in 1964, contracted sales for delivery this year already exceed actual exports during the previous year. Grain exports in 1963, mostly wheat, amounted to 5.4 million metric tons, a slight increase over shipments in 1962.

Communist China has purchased about 22 million tons of grain since 1960, largely from Canada and Australia. Initially, its purchases were on a cash basis, but in 1961 it sought and obtained credit terms from these two big suppliers. Most of the trade in 1962 and 1963 was carried on under various credit arrangements, with more advantageous repayment schedules being granted by major exporting countries. Australia allowed the deferred payments to spread over 12 months. Canada extended credit for 1 year compared with 9 months in earlier sales, and in 1963 it increased the repayment period to 18 months. Payments on purchases from Canada and Australia are reported to have been made on or before due dates.

Expanded trade with France resulted from an agreement early in 1962 to supply grain (wheat, barley, or corn) over a 3-year period. Contracts under this agreement carry provisions for 18 months' credit.

Grain sales by other countries such as Argentina, Mexico, and South Africa have been made for cash. However, these purchases reportedly may have been financed by international banks.

Argentina and Mexico have sold wheat for the first time to Communist China, and shipment of the purchased grain will take place during calendar year 1964. These two countries have large wheat surpluses because of the harvesting of bumper crops. Export sales offered an opportunity to reduce these surpluses and also to obtain needed foreign exchange. Official government agencies—in Argentina, the National Grain Board, and in Mexico, CONASUPO (the price control agency)—handled the sales.

Grain sales for shipment in 1964 now amount to 5.6 million metric tons. There is a distinct possibility that total shipments may exceed 6.0 million tons in 1964, an all-time record. This level of purchases reflects a continuing need for grain by Communist China to supplement inadequate domestic production.

The prospect for the wheat harvest on the China Mainland is more favorable for 1964 than for the past several years, and as a result, wheat purchases later this year and early in 1965 may decline. However, the outlook following the unprecedented grain export of the current year, is for a continuation of grain imports by Mainland China—at least over the next several years.

GRAIN EXPORTS TO COMMUNIST CHINA IN 1961, 1962, AND 1963 AND SALES FOR EXPORT IN 1964

Country of origin	Wheat and flour[1]	Rye	Corn	Oats	Barley	Total
	1,000 m. t.	*1,000 m. t.*	*1,000 m. t.*	*1,000 m. t.*	*1,000 m. t.*	*1,000 m. t.*
1961 exports:						
Argentina	—	—	45	—	—	45
Australia	2,175	—	—	77	366	2,618
Burma	—	—	—	—	—	[2] 55
Cambodia	—	—	12	—	—	12
Canada	1,471	—	—	—	660	2,131
France	37	—	—	—	260	297
Germany, West	256	—	—	—	—	256
USSR	101	100	—	—	—	201
Total	4,040	100	57	77	1,286	[2] 5,615
1962 exports:						
Argentina	186	—	[3] 400	—	—	[3] 586
Australia	1,142	—	—	63	5	1,210
Canada	1,948	—	—	—	203	2,151
France	405	—	—	—	124	529
Germany, West	258	—	—	—	—	258
Rhodesia, South	—	—	54	—	—	54
South Africa	—	—	27	—	—	27
USSR	110	247	—	—	—	357
Total	4,049	247	481	63	332	5,172
1963 exports:						
Argentina	28	—	—	—	—	28
Australia	3,001	—	—	—	—	3,001
Canada	1,382	—	—	—	24	1,406
France	813	—	—	—	—	813
South Africa	—	—	163	—	—	163
USSR	(4)	(4)	—	—	—	(4)
Total	5,224	—	163	—	24	5,411
1964 sales:[5]						
Argentina	800	—	—	—	—	800
Australia	1,700	—	—	142	—	1,842
Canada	1,800	—	—	—	355	2,155
France	300	—	—	—	100	400
Mexico	450	—	—	—	—	450
Total	5,050	—	—	142	455	5,647

[1] Includes wheat equivalent of flour. [2] Includes 55,000 tons of rice. [3] Includes 24,000 tons of sorghums. [4] Data not available. [5] Sales for delivery during the calendar year, as of June 15, 1964.

Shrinking U.S. Trade Preference Spurs Action by Philippines

With a sharp reduction in U.S. tariff preferences scheduled for the first of next year, Philippine grower-processors are seeking modification of the Laurel-Langley Agreement which sets diminishing duty-free import quotas on Philippine coconut oil, cigars, scrap tobacco, and pearl or shell buttons.

Spearheading this movement is the Philippine Coconut Oil Producers Association, whose oil exports to the United States in 1963 exceeded the duty-free quota for the first time in the history of the young republic. Following the exhaustion of the quota in the late autumn, all Philippine oil clearing U.S. customs was subject to a duty of 1 cent a pound.

Coconut oil from other countries must pay the 1-cent duty and a processing tax of 2 cents a pound. On top of these effective charges, an additional processing tax of 3 cents a pound applying to all countries is currently under a suspension which will expire June 30, 1966.

The Philippines' coconut oil quota, originally 200,000 long tons per year, was reduced to 160,000 tons in 1962. It drops to 120,000 tons on January 1, 1965, and is due for final phase-out in 1974.

Hence, if next year's oil movement is the same as last year's (and it may be larger), importers will pay $896,000 duty just on the oil forced out of the present Philippines quota by next year's 40,000-ton cut in the size of the quota. Also, the U.S. duty on all nonquota imports from the Philippines doubles at the end of this year—from 20 percent to 40 percent of the full duty.

Transitional trade arrangements

When the Philippines gained independence in 1946 after almost a half century as a territorial possession of the United States, this country granted the new republic an 8-year period of free trade to give it an opportunity to repair World War II damage and to begin building a self-reliant national economy. After 8 years of free trade, the 100-percent preferential tariff treatment accorded by each country to the goods of the other was to be reduced 5 percent each year for 20 years on both sides until all concessions were eliminated.

Communist-led guerrillas spread new ruin on the Philippine countryside and compounded the problems of recovery. The Laurel-Langley Agreement, signed by the two countries in 1955, slowed the schedule for applying higher U.S. tariffs on imports from the Philippines and speeded the schedule for applying higher Philippine tariffs on imports from the United States. This action helped the Philippines maintain its traditional favored position in the big U.S. market and at the same time enabled the hard-pressed Islands government to obtain more much-needed revenue from duties on import of U.S. goods.

Strong domestic pressures now are being exerted on the Philippine Government to push for more U.S. trade concessions. One of the earliest proposals called for elimination of all U.S. levies on imported coconut oil. Although bright spots dot the economic horizon of the Philippines, the progress of national development is sluggish, hardly more than keeping pace with the relatively high 3 percent annual population growth.

In 1963 exports enjoyed relatively good prices which tipped the balance of trade in favor of the Philippines for the first time in 4 years. (About 30 percent of the total value of all the Philippine exports was provided by coconut oil and copra.) However, failure of the nation to attain its goal of self-sufficiency in the production of rice was a severe blow, since the foreign exchange required to purchase 300,000 tons of foreign rice could have been used to import much-needed machinery and equipment.

Other economic problems

The country is beset by other economic troubles. Wholesale smuggling of cigarettes from Hong Kong and Borneo is depriving the Philippines government of an estimated $30 million a year in unpaid revenues and at the same time crippling the profit potential of the recently established tobacco-manufacturing industry. Tax collections are behind schedule; and the government has been forced to postpone expenditures for essential road building and vital measures to benefit the dominant agriculture sector.

Some U.S. brokers, importers, and end users also support more liberal tariff treatment of Philippine coconut oil. The oil, they say, maintains its quality well during the long voyage from the Philippines, whereas copra, brought to this country for processing, deteriorates rapidly in transit. Furthermore, business interests on both sides of the Pacific seek more favorable tariff treatment of both copra and coconut oil in order to maintain a strong competitive price position in a world turning more and more to substitute products.

—Goodloe Barry
Foreign Regional Analysis Division
Economic Research Service

Italy Works To Stabilize Its Egg Prices

Italy's Ministry of Agriculture has set up a voluntary egg pooling program to cope with overabundant egg supplies and slumping prices.

The program, which went into operation June 1, is handled by a new agency, CONAV (Consorzio Nazionale Cooperativo Avicolo). Working with a $1,280,000 fund, this agency is charged with promoting and supporting quality egg production through sanitary controls and technical assistance; stabilizing egg prices; and promoting egg consumption.

CONAV began its pooling operations at 18 centers scattered throughout Italy, with the prospect of 10 others to be ready at the end of June. It makes advance payments to producers at 75 percent of egg values, as calculated from Chamber of Commerce quotations. Selected eggs are classified by weight and quality and stamped "Uovo Italia," while eggs no longer fresh will go into industrial uses.

Background of the new program is the rapid expansion of Italy's poultry production, particularly of layers, plus continued egg imports. Late in 1963, ample egg supplies began to drive prices downward, and in January 1964 prices on the Milan wholesale market were about 50 percent lower than in the same month the year before.

London Exhibit of U.S. Beef Is Successful

Favorable buyer and press reaction met U.S. beef's formal debut in London, June 16-17.

Unloaded 14 days after slaughter in the United States, some 8,000 pounds of U.S. beef went from Royal Victoria docks to be sold at Smithfield Wholesale Market, central purchasing point for approximately 90 percent of the meat consumed in the United Kingdom. Beef came off the ship at 29.5°F. with a hard chill.

Beginning at 5 o'clock Tuesday morning, the U.S. beef exhibit at Smithfield drew more than the usual quota of early morning buyers for U.K. food stores, restaurants, and institutions. Along with them came butchers, caterers, press and TV, invited guests, and visitors from the Netherlands, Germany, and Switzerland. They inspected and, according to all reports, approved the quarters of U.S. beef displayed.

Smithfield importers concluded that U.S. Good beef of the type shown could be sold for about 3 cents per pound over Argentine chiller beef and 3 cents under Scotch beef at current prices. Prices at Smithfield were at an alltime high, and may go even higher this month and in September.

One English journalist—who personally cooked and compared Argentine, Scotch, and U.S. roasts of beef, wrote: "Slice for slice, the American 'joint' won hands down."

The U.S. beef display provided U.K. meat buyers with their first opportunity to personally inspect and try a variety of U.S. grades of beef, ranging from Low Standard up through Low Choice—or two grades below the top beef available on meat counters in the United States.

Promotion of U.S. Lard in the United Kingdom Getting Set To Capitalize on Bullish Outlook

The U.S. lard promotion program in the United Kingdom is preparing for what may prove to be an auspicious period for U.S. lard exports to that market.

Lard may be used more extensively in U.K. manufacture of margarine and shortening if prices for some of the oil substitutes for lard advance as expected.

Late 1964, however, may bring some competition from lard produced in the United Kingdom and in Europe where hog numbers are climbing back to normal levels.

In the first 4 months of 1964, the big factors which pushed U.S. lard sales to the United Kingdom to 180 million pounds—for the first time accounting for 95 percent of total U.K. lard imports—were the stepped-up demand for all fat products and slackened competition from European lard.

Since the loss of the important Cuban market in 1961, sales of U.S. lard to the United Kingdom have consistently topped those to the other world markets combined, with 1963 exports to that country hitting a record-breaking 436 million pounds, four times the 1951-55 average. The remaining 100 million pounds exported in 1963 were divided among most countries in Latin America and Europe, a handful of countries in Asia, and Canada. At $48 million, the total value of U.S. lard sales reached a 3-year high.

U.S. prices competitive

Annual U.S. lard sales to that market should continue their upward climb for a number of reasons: competitive and stable prices of U.S. lard made possible by a steady supply; a consumer preference for the fine-textured lard from corn-fed U.S. hogs (Europe's hogs in the main are fed barley); the quality control system of the United States which assures a wholesome product; and an aggressive market development program.

To capitalize on the bullish forecast for U.S. lard sales to the United Kingdom, the U.S. promotion program is planning a fall-winter advertising campaign aimed at consumers and several new projects which, during 1964-65, are to stress the utility of lard.

Advertising has been the keystone of the U.S. lard market development program since 1962 when the U.S. National Livestock and Meat Board launched the promotion in cooperation with the newly formed British Lard Association and the Foreign Agricultural Service.

The upcoming advertising campaign is to be the most intensive to date, with more than two-thirds of the 1964-65 promotion budget set aside for this purpose. Pointing up the need for stepped-up advertising are the increasing effort of U.K. manufacturers of compound fats to promote their products. At least three large concerns now spend more than a total of $1 million a year on advertising, according to the Lard Association.

Emphasis on home use

The advertising campaign will promote the sale of lard for use in the home —an approach which through the years has actually resulted in higher utilization of lard in shortening and margarine as well. Once introduced to the desirable baking features of lard, British home-makers— 70 percent of whom make pastries at least once a week—tend to buy those compounds high in lard content. Since 1961 the portion of U.S. lard going into fat compounds has jumped from 25 percent to 50.

This year's advertising is aimed at broadening the consumer base through ads placed in small town newspapers (the so-called provincial press) which will supplement extensive advertising in leading woman's magazines. Consumer advertising will also be utilized in support of "Lard Weeks"—to be presented for the first time in selected U.K. cities—and to stir public participation in various recipe and baking competitions sponsored by the lard market development program.

Consumer response

Growing out of the 1963 campaign, the Lard Association office in London continues to receive around 150 queries per day requesting further information about lard and its uses, and copies of the popular recipe publication, "Lard in the Kitchen."

In a move to upgrade the technical side of lard promotion, the 1964-65 program will sponsor a series of lecture programs and cooking demonstrations for teachers and students of domestic science colleges.

Teaching aids are now being developed through recipe and new-products research and various scientific projects designed to measure the performance characteristics of lard compared with competing fats.

British specialists will be encouraged to contribute newspaper and magazine articles on lard nutrition and the applications of lard in commercial catering and baking.

Also to get more emphasis this year are receptions for bakers, caterers, lard importers, and processors at the U.S. Trade Center in London.

As in the past, U.S. lard will be promoted at the major U.K. food exhibitions—like the Enjoy-American-Foods campaigns held in Glasgow and Cardiff early this year and those in Leeds, Glasgow, and Bristol in 1962.

Seven commodity groups participating

U.S. Foods To Be Exhibited at Hamburg's LEFA

U.S. beef—shown for the first time at an international trade fair—will be among the wide variety of U.S. foods to be exhibited at the LEFA Food Fair at Hamburg, Germany, August 14-23.

Approximately 300,000 persons are expected to attend the Fair, with the first 2 days reserved exclusively for tradespeople.

LEFA, which began as a purely German fair, has gone more international in each of the past few years. Around 14 countries are expected to exhibit this year. It will be the first time for the United States—although this country had a solo food exhibit in Hamburg in 1961—and France is reportedly stepping up its participation in LEFA significantly.

Indicative of the importance of the market is the fact that West Germany imported about $400 million of food and agriculture products last year, and was second only to the United Kingdom as a customer for U.S. farm commodities in Europe.

In the United States' "Food Fair" area, the U.S. Department of Agriculture and seven cooperating U.S. trade organizations will have exhibits. At a number of them, U.S. foods will also be sold.

Promotional plans for U.S. beef and other meat products include a Meat Marketing Seminar for leaders of the European meat trade. U.S. beef experts will give meat-cutting demonstrations, using U.S. beef carcasses. Also, the latest transportation facilities for trans-Atlantic shipping of fresh and frozen beef will be studied and a new "flexi-van" refrigerated transport unit will be displayed. This unit has a capacity of 18,000 pounds and can be transported by truck, rail, or ship with any desired temperature maintained from start to finish.

Modern demonstration kitchens will afford Fair visitors the opportunity to see, taste, and buy U.S. beef—now in abundant supply for sale to Germany and other European countries—and other quality meats.

Sharing the limelight will be barbecued chicken and turkey; milk prepared instantly from U.S. non-fat milk; rice dishes; fresh fruits air-shipped direct from the States for the LEFA show; a variety of foods deep-fat fried in soybean oil; and honey and honey products.

A feature attraction of the U.S. exhibit will be a colorful display on the American Indian, showing how early Indian tribes lived and produced their food. Special emphasis will be given to the various foods the American Indians contributed to the world's dinner tables.

Other features of the U.S. exhibit will be a trade lounge and the continuous showing in German of "Bounty without Boundaries," a unique multi-image film illustrating U.S.-European trade ties. The audiences see as many as six different impressions of a scene at one time.

U.S. trade groups which will have representatives present at the LEFA show are: American Meat Institute; Soybean Council of America, Inc.; U.S. Rice Export Development Association, Inc.; the U.S. poultry industry's International Trade Development Board; National Honey Packers and Dealers Association; Dairy Society International; and between 15 and 20 organizations representing fresh, canned, and dried U.S. fruits.

Some Grain Damage Reported in the USSR

Though crop forecasts from most regions of the Soviet Union continued optimistic through mid-June, there have been reports on damage to the normally high-yielding winter (fall-sown) grains.

A report from the fertile winter wheat and barley region of Krasnodar or Kuban indicates that about 1,250,000 acres, or nearly a fourth of the winter grain acreage, had to be reseeded this spring to barley, corn, and peas. In some districts, up to 60 percent of the winter acreage had to be reseeded. It was stated in one report that "not a bad" outturn of small grains and row crops is expected.

New Regulations and Prices for Chilean Rice

Chile's *Diario Official* on June 2, 1964 published Decree No. 626 of the Ministries of Agriculture and Economy, which sets the new price and regulations for that country's 1963-64 rice crop.

The new price of rough rice is the equivalent of US $2.95 per 100 pounds, unbagged, f.o.b. mill. This is 31 percent over the previous price of US$2.25.

The wholesale and retail prices of milled rice in areas where there are mills are as follows:

Type of rice	Wholesale prices f.o.b. mill *U.S. dol. per 1,000 lb.*	Retail prices *U.S. cents per lb.*
Standard, 100-percent broken grains in bulk	3.47	4.1
Extra, up to 20-percent broken grains in sacks of 1 or 5 kilograms net	6.85	7.9
Super-extra, up to 5-percent broken grains in sacks of 1 or 5 kilograms net	9.53	11.0

In localities where there are no mills, freight costs will be added to the wholesale price, plus a 15-percent markup. The markup includes the sales tax.

The regulation prohibits the inclusion of grain tips—part of a grain that can pass through a metal sieve with 0.0394-inch round holes—in any of the above-mentioned types. Also, not less than 55.7 percent of a mill's total production can be of extra-milled rice and not more than 31 percent, super-extra quality. Only standard-type rice may be sold in bulk; the other two must be sold in sacks that indicate the percentage of broken grains, the name of the mill, the net weight, and the consumer prices.

Millers and retailers must sell super-extra rice at the price of extra-milled when they do not have the latter type. These prices and regulations are not applicable to free food zones nor zones with special custom treatment.

Some dissatisfaction has been expressed over the new prices. Millers, who had requested a 25-percent increase, were given only a 12-percent one, and growers are not content with the increase they received.

Congo Cotton Production Remains at Low Level

Cotton production in the Republic of the Congo, including Ruanda-Urundi, during the 1963-64 season is now estimated at 80,000 bales (480 lb. net). Although this crop is slightly above the 75,000 bales produced in 1962-63, it is less than 30 percent of the record 1959-60 crop of 275,000 bales.

Congolese cotton is produced by about 700,000 native cultivators, and production and marketing are controlled by the government. About 13 different companies, appointed by the government, are responsible for distribution of seed and insecticides and for the buying, ginning, and exporting. In 1963-64 it is expected that about one-half of the production will be used in the local mills and the rest will be exported. Belgium takes most of the Congo's cotton production.

The domestic industry reportedly has neither the spinning nor weaving capacity to satisfy the local textile demand. As a result, substantial quantities of unbleached cotton cloth have been imported from the United States under Title I and AID programs. Currently, an estimated 85,000 spindles are operating in the Congo, and another 22,000 are being installed. Meanwhile there is still interest in importing more unbleached cotton cloth. During the first 9 months of calendar 1963, imports of manufactured cotton goods were valued at US$7.7 million.

Exports this season appear likely to reach about 40,000 bales, one-third of the 120,000 bales shipped in 1960-61. Because of farmers' reluctance to grow cotton and the increasing domestic need for this product, the Congo's cotton production may remain mostly on a self-sufficiency level.

Argentines Buying Eggs From Northern Ireland

In Argentina, normally an exporter of eggs, the current beef shortage is accompanied by an egg shortage also, and eggs are being imported. This is illustrated by an announcement that the Buenos Aires municipality recently awarded an egg-supply bid to an importer representing Northern Ireland.

Terms called for 13,000 cases to be delivered June 30, 30,000 cases later, and a third shipment of undetermined amount and date.

Canada's Trade in Dairy Products

Canada exported more nonfat dry milk, canned milk, butter, and casein, but less cheese and dry whole milk in 1963 than in 1962.

Sales of nonfat dry milk rose from 36 million pounds to 56 million. Cuba, the largest purchaser, took 12 million pounds, compared with 11 million a year ago. Increases in purchases by other countries with comparable 1962 figures in parentheses were the Netherlands, 8 million pounds (150,000); Denmark, 5 million (2 million); Spain, 4 million (469,000); and Trinidad, 3 million (2 million). Shipments to Italy declined (to 3 million pounds from 7 million) as did those to Venezuela, Jamaica, and Switzerland.

Canned milk sales—mostly evaporated milk—were up 4 percent to slightly more than 6 million pounds, of which 4 million went to the Bahamas.

Butter exports were up sharply to 6 million pounds from only 4,000 in 1962. Nearly all went to the United Kingdom.

The United States is the most important market for Canada's casein and in 1963 took 14 million pounds of the 16 million exported.

Trade in cheese was down 5 percent to 26 million pounds, mostly because of reduced sales to the United Kingdom which took 25 million pounds compared with 26 million a year ago.

Shipments of dry whole milk have been declining since 1960 and in 1963 were 17 million pounds—15 percent below those in 1962. Venezuela, the most important market, took 16 million pounds—4 million less than in 1962.

Cheese is the only dairy product imported in any large quantity. In 1963, imports were up 5 percent to 15 million pounds. Chief suppliers were Italy, with 4 million pounds; Denmark, with 3 million; and Switzerland, the Netherlands, and the United States, with 2 million each.

South Africa's Output of Tobacco Products Up

Output of all tobacco products in the Republic of South Africa increased during 1963, reaching 47.8 million pounds. This was 7.2 percent above the 44.6 million of 1962.

Cigarette output, at 24.4 million pounds, was up 8.4 percent from the 1962 level of 22.5 million and represented 51.2 percent of total production. Pipe tobacco rose to 23.2 million pounds from 21.9 million. Output of cigars and cigarette tobacco for "roll-your-own" cigarettes was also up slightly.

West Germany's 1963 Tobacco Imports Down

West Germany's duty-paid imports of unmanufactured tobacco during 1963 totaled 262.3 million pounds—down from the 320.4 million recorded for 1962 but 22 percent above the 1961 level of 214.9 million.

WEST GERMANY'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1961	1962[1]	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	67,480	95,487	88,364
Greece	36,454	42,624	34,718
Rhodesias-Nyasaland	17,504	33,960	22,815
Turkey	12,242	20,741	16,380
Bulgaria	8,417	13,877	15,861
Italy	17,092	31,333	15,436
Brazil	9,138	14,244	8,733
Japan	7,122	10,133	8,659
Indonesia	9,191	12,659	6,741
Dominican Republic	5,122	8,847	5,566
Philippines	2,293	2,795	4,944
Canada	1,372	1,894	4,519
Taiwan	234	1,925	4,192
Colombia	6,038	4,498	3,764
Poland	1,225	4,914	3,660
Soviet Union	2,838	3,591	2,329
Thailand	2,636	2,720	2,029
Yugoslavia	2,232	2,683	1,071
Others	6,275	11,455	12,530
Total	214,905	320,380	262,311

[1] Not comparable with 1961 and 1963 data because of a change in the method of recording imports.

Duty-paid imports from the United States last year amounted to 88.4 million pounds and represented 33.7 percent of total imports. Other major suppliers during 1963 were Greece with 34.7 million pounds; the Rhodesias-Nyasaland, 22.8 million; Turkey, 16.4 million; Bulgaria, 15.9 million; and Italy, 15.4 million.

Average prices paid for unstemmed leaf tobacco from specified suppliers during 1963 (in terms of U.S. equivalents per pound) were the United States 79.7 cents, Greece 70.0, Turkey 61.3, Bulgaria 51.5, the Rhodesias-Nyasaland 50.8, Japan 60.0, Taiwan 26.8, Italy 67.3, Canada 54.7, and Thailand 42.4.

Italians Manufacture Less Tobacco

Output of tobacco products by the Italian Tobacco Monopoly during 1963 totaled 135.3 million pounds—down 1 percent from the 136.7 million produced in 1962.

Cigarette production totaled 122.7 million pounds, compared with 123.3 million in 1962. Production of all other products, except cigarillos and snuff, was also down.

Sales of tobacco products during 1963, at 141.1 million pounds, were up slightly from the previous year's level of 140.0 million. Of this total, imported products—mainly cigarettes—amounted to 4.9 million pounds compared with 4.1 million in 1962.

Sales of domestic-made cigarettes totaled 123.1 million pounds—up less than 1 percent from the 122.1 million sold in 1962. Combined sales of cigars and cigarillos dropped to 3.2 million pounds from 3.4 million in 1962.

Also, combined sales of cut tobacco and snuff, at 9.7 million pounds, were down 7 percent from the 1962 level of 10.5 million.

Jamaica's Leaf Tobacco Trade at Record

Jamaica's imports of unmanufactured tobacco during 1963 set another new record of 2.0 million pounds, surpassing the previous 1962 high of 1.8 million pounds. Larger imports from the United States and the Rhodesias-Nyasaland more than offset reduced takings from Canada.

Imports from the United States last year were at a record 1.0 million pounds, compared with 632,000 in 1962. Takings from the Rhodesias-Nyasaland rose to 525,000 pounds from 343,000 while imports from Canada, traditionally the principal supplier-dropped to 386,000 from 671,000.

Average prices paid to major suppliers in 1963 (in terms of U.S. cents per pound) were as follows: the United States 111.3, the Rhodesias-Nyasaland 69.2, and Canada 72.0. The average price paid per pound for all imports was equivalent to 93.9 U.S. cents, compared with 79.8 in 1962.

Jamaica's exports of unmanufactured tobacco last year were also at a record—987,000 pounds compared with 632,000 in 1962. Shipments to the United Kingdom rose to 823,000 pounds from 260,000 in 1962 and represented 83.3 percent of total exports. Shipments to the United States, however, dropped to 160,000 pounds from 382,000.

Short 1964 Brazil Nut Crop

Brazil's 1964 crop of brazil nuts now appears to have totaled only about 30,000 short tons. This is much smaller than last year's harvest, which (according to latest estimates) totaled about 40,000 tons—about the same as the average for 1956-60.

Brazilian exports during 1963 totaled 22,090 tons inshell and 5,681 tons shelled (15,560 tons inshell basis). Exports in both categories were somewhat above those in

1962. The United States and the United Kingdom remained the predominant markets for brazil nuts, taking over 80 percent of total exports in 1963 as they did in 1962. West Germany was the third most important buyer of inshells in 1962 and 1963, while Canada held third place as a buyer of shelled nuts in both years.

BRAZIL'S EXPORTS OF BRAZIL NUTS

Destination	Shelled		Inshell	
	1962	1963	1962	1963
	Short tons	*Short tons*	*Short tons*	*Short tons*
Canada	153	303	549	789
Germany, West	56	174	4,283	4,547
United Kingdom	1,499	852	8,516	8,423
United States	3,009	4,201	7,194	7,912
Others	59	151	69	419
Total	4,776	5,681	20,611	22,090

BRAZIL NUT PRODUCTION

Region	1963	Estimated 1964
	Short tons	*Short tons*
Tocantins	(1)	12,300
Jari/Maraca	(1)	1,500
Para Islands	(1)	600
Lower Amazon	(1)	1,700
Total Belem	19,000	16,100
Amazonas	14,000	10,500
Acre	4,000	1,700
Bolivians	3,000	1,700
Total Manaus	21,000	13,900
Total crop	40,000	30,000

[1] Breakdown not available.

Italy's Filbert Crop Forecast Below Average

Italian filbert production for 1964 is forecast at 40,000 short tons (unshelled), a considerable reduction from the 1963 harvest of 53,000 tons. Average production in the period 1958-62 was 44,400 tons.

Exports during the 1963-64 (September-August) season are expected to reach 31,000 tons; shipments through May were estimated at 27,000 tons. In the 1962-63 season exports totaled 30,000 tons. Beginning stocks in 1964-65 are expected to be large, totaling about 10,000 tons.

Italian Almond Crop Expected To Be Above Average

Italy's 1964 almond crop is forecast at 36,000 short tons (shelled basis)—6,000 below the revised estimate for 1963 of 42,000 tons. Average 1958-62 production was 32,300 tons.

Exports during the 1963-64 season (September-August) are expected to reach 33,000 tons; through April, they totaled 27,500 tons. In the 1962-63 season, approximately 19,500 tons were exported.

Stocks at the beginning of the 1964-65 season are expected to be small, probably in the 2,000-3,000 ton range.

Colombians Expand Soybean Production

Colombia's production of soybeans in 1964 is now expected to reach 50,000 tons (1.8 million bu.) compared with 30,000 (1.1 million) in 1963. The increase is largely the result of farmers' switching from production of cotton to that of soybeans and sesameseed, whose support prices offer better net returns.

The first crop of soybeans, harvested in April and May, reached 36,864 tons (1.4 million bu.). Soybean production is concentrated around the township of Buga, Valle del Cauca, where the only two buyers of soybeans in Colombia are located. The yield per acre averages about 22 bushels. However, with double cropping, Colombia's yearly per acre average may go much higher.

Nigerian Peanut Purchases Decline, Supplies Rise

The Regional Marketing Boards of the Federation of Nigeria, as of May 27, had purchased (for crushing and export) 786,132 long tons (shelled basis) of 1963-crop peanuts. This was 10 percent less than the 870,638 tons purchased through the comparable date of last year and the record 871,524 tons that was the final total of purchases. However, because of heavy stocks at the beginning of the marketing year, the total supply of peanuts is slightly larger than last year's.

Nigeria's exports of peanuts and peanut oil in 1963 totaled 614,000 and 69,000 tons respectively—substantially larger than the figures for 1962 of 530,000 and 63,000 tons. However, exports of peanut cake, at 85,000 tons, were down from the 88,000 tons of 1962. Of Nigeria's major export commodities in 1963, peanuts ranked first in value, earning £36.6 million (US$102.5 million); cocoa was second.

Indonesia Increases Kapok Production

Indonesian production of kapok fiber is forecast at more than 55 million pounds in 1964, or slightly more than the unofficial estimate for 1963 of 52.9 million and 14 percent more than the revised estimate for 1962 of 48.5 million. The quantity of kapok harvested is dependent to a large extent on the prevailing price, since much of the fiber is gathered from semiwild trees. Export prices have been favorable to an increase in production and exports.

Wholesale prices for kapok in Central Java increased from 23,000 rupiah per metric quintal in January 1962 to 31,000 by the end of the year, and continued to rise, reaching 38,000 rupiah in August 1963. This upward trend is attributed mostly to inflation rather than to any appreciable increase in demand for kapok in relation to supply.

Domestic consumption of kapok, at 44 to 48 million pounds annually, takes most of the crop. However, exports gained slightly in the past year to 4.4 million pounds from 4.2 million in 1962 and are expected to rise to 6.6 million in 1964.

The United States buys about 60 percent of Indonesia's exported kapok. Italy, Belgium, and other European countries buy another 25 to 30 percent.

Costa Rica Produces More Cabuya, No Kenaf

Costa Rica produced 1,167,000 pounds of cabuya line fiber and 11,700 of tow and waste in 1963, compared with 560,900 pounds of line fiber and 5,600 of tow in 1962. The area harvested in 1963 totaled 867 acres against 348 in 1962. Additional new acreages in each year were equal to about 10 percent of the respective harvested area.

Production does not keep pace with demand; therefore about 750,000 pounds of henequen and sisal are imported annually for manufacture into cordage and bags. Most of the cabuya is used in ropes and hammocks. Exports re-

mained at 202,600 pounds in 1963, but domestic consumption rose to 1,812,000 from 1,206,000 in 1962.

Kenaf production in Costa Rica has been abandoned, owing to lack of financial means and strict regulations by the Guatemalan mills which were using Costa Rica's kenaf on an experimental basis.

Argentine Sunflower Estimate Reduced

Argentina's 1963-64 sunflowerseed crop is placed at 502,650 short tons, according to the second official estimate. This is 4 percent less than the first estimate (*Foreign Agriculture*, May 18) and 1 percent less than last year's reduced level of 509,300 tons.

While the average yield, at 478 pounds per acre, was sharply above last year's 419 pounds, it failed to offset the 14-percent decline in sown area.

Philippine Textile Industry Bill Passed

A new Philippine law has freed the domestic textile industry through 1971 of duties and all forms of taxes, except income tax, on imports of textile raw materials, chemicals, dyestuffs, and spare parts. Passed in early May, this law (House Bill No. 11350) also exempts from taxes the manufacture and sale of finished products by the textile industry. Beginning with 1972, the exemption from duties will be reduced from 100 percent to 75 percent and in 25 percent increments per year until after January 1, 1975, when no exemption from duties will be allowed.

The legislation should give some relief to the industry, which has suffered rising operating costs and increased competition from imported textiles, a large part of which is smuggled and thus escapes import duties.

The Philippines are expected to import about 170,000 bales (480 lb. net) of raw cotton in the 1963-64 season. In recent years, the United States has supplied between one-half and two-thirds of Philippine cotton imports.

Sugarmill Expansion Planned in Uruguay

Since Uruguay now produces only half of its sugar needs, the National Council of Government has been encouraging Uruguayan and other interested parties to submit plans for new sugarmills. Each plan is to include an analysis of production and plans for construction and financing. Present production is about 50,000 short tons. Argentina and Brazil supply most of the other needs.

Turkey's Honey Production Up

Turkey's 1963 output of honey was at an alltime high of 11,500 short tons. The previous record was 10,700 tons in 1960.

The government is attempting to promote a modern beekeeping industry through a variety of programs. (In 1963, there were over 1,600,000 beehives in the country; however, nearly 1,400,000 were of traditional design.) A government-operated factory to manufacture low-priced hives of improved design has been opened at the Ankara Beekeeping Institute. Two more are in the planning stage.

Most of the domestically produced honey is sold in the comb; this type is in greater demand than extracted honey and currently sells at a higher price. Exports amount to less than 10,000 pounds.

Australian Meat Shipments to the United States

Seven ships left Australia during May with 12,129,600 pounds of beef and 539,840 pounds of mutton for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Cap Finisterre	Tacoma	June 16	Beef	360,640
May 28	Portland	17	Beef	259,840
	San Francisco	20	Beef	1,617,280
			Mutton	33,600
	Los Angeles	24	Beef	1,169,280
Monterey	San Francisco	14	Beef	152,320
May 28	Los Angeles	22	Beef	109,760
Sonoma	Los Angeles	17	Beef	427,840
May 28	San Francisco	22	Beef	338,240
	Portland	26	Beef	129,920
	Seattle	July 3	Beef	206,080
Anna Bakke	Seattle	22	Beef	170,240
May 30	Tacoma	23	Beef	33,600
	Portland	25	Beef	246,400
	Los Angeles	Aug. 2	Beef	67,200
	San Francisco	6	Beef	22,400
	Eastern and Gulf ports			
Baltic Sea	Charleston	June 23	Beef	642,880
May 29			Mutton	114,240
	Philadelphia	26	Beef	725,760
	New York	29	Beef	4,520,320
			Mutton	291,200
	Boston	July 3	Beef	929,600
			Mutton	100,800
Lake Ontario[2]	New Orleans	June 6	Beef	15,680
May 5	Tampa	8	Beef	98,560
	Philadelphia	13	Beef	477,120
	New York	16	Beef	123,200
Cap Norte[2]	Boston	13	Beef	47,040
May 15	Norfolk	18	Beef	488,320
	Philadelphia	20	Beef	192,640
	New York	22	Beef	593,600

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, June 22, 1964.

New Zealand Meat Shipments to the U.S.

Six ships are scheduled to leave New Zealand during July with 22,848,000 pounds of meat for the United States —8,512,000 for the West Coast and 14,336,000 for the East Coast.

Ship	Sailing date	Destination	Quantity
			1,000 pounds
Monterey	July 10	West Coast	336
Alexander von Humboldt	11	do	3,360
Saracen	28	do	4,480
Mariposa	31	do	336
City of Auckland	15	East Coast	1,344
Port Nicholson	31	do	12,992

Paraguay May Supply Meat Animals to Argentina

Argentina's unusual beef shortage has led the government to authorize purchases of live meat animals from Paraguay. The Paraguayan Government will approve the sales provided that domestic requirements have been filled.

In recent years, the trade has moved the other way: about 15 percent of the slaughter animals used by Paraguay's three meatpacking firms have come from Argentina.

An Argentine meatpacker has visited Asuncion, Paraguay, with the intention of establishing a branch office; and some hogs and a few cattle have reportedly been sold.

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